

**GUIDELINES ON REPORTING AND ATTESTATION REQUIREMENTS
OF
UNIFORM FINANCIAL REPORTING STANDARDS (UFRS)**

**For
Public Housing Authorities
Not- for- Profit Multifamily Program Participants
For- Profit Multifamily Program Participants
And their Independent Accountants**

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*For purposes of this Guide, the term “for profit entities” includes limited distribution entities and cooperative corporations that are not 501(c)(3) organizations. For further information, see HUD Handbooks 4370.2 and 4370.3

I. Overview and Executive Summary

The Real Estate Assessment Center (REAC) is the Department of Housing and Urban Development's (HUD) national management center created to assess the condition of HUD owned and assisted properties. Depending on the type of property, REAC assessment procedures address: 1) physical condition, 2) financial health, 3) management operations, 4) resident service and satisfaction and 5) compliance with HUD rules and regulations.

On September 1, 1998 HUD published in the Federal Register the Uniform Financial Reporting Standards (UFRS) Rule implementing requirements of 24 CFR, Part 5, Subpart H, for the electronic filing of financial information to REAC by entities receiving HUD financial assistance. REAC developed the Financial Assessment Subsystem (FASS) specifically to facilitate the financial health portion of the overall assessment. Financial and other information must be submitted to REAC electronically by the public housing authority (PHA) or multifamily program participants (participant) on FASS using templates (referred to as FASS templates in this overview) specifically designed for them.

REAC utilizes the information electronically filed on prescribed FASS templates to conduct assessments of approximately 3,200 PHAs and 21,000 other participants receiving HUD financial assistance. As noted, this activity is part of an overall requirement for REAC to assist HUD with improving the management of assets funded with HUD financial assistance. The purpose of the new electronic assessment system is to enhance public trust by creating a comprehensive management tool that effectively and fairly measures a property's performance based on standards that are objective, uniform and verifiable. Systems requirements and user ID requirements are discussed in Section V of this document.

In order to insure accuracy and consistency of financial data in the assessment process, REAC requires the following as the basis for electronic submission:

- Audited annual basic financial statements prepared in conformity with Generally Accepted Accounting Principles (GAAP) **(PHAs submit basic financial statements and certain auditor's reports (as defined in Section II) electronically to REAC as well as maintain a hard copy of all financial statements and audit reports for three years.**
- Report by auditors on the hard copy of the FASS templates (the specific FASS templates required for each type of entity covered by this guideline are described further in Sections II, III, and IV) as to their "fair presentation in relation to audited annual basic financial statements" in accordance with the audit provisions of the American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards (SAS) No. 29, *Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents*, **("PHAs must electronically submit the required FASS template (described in Section II) and related SAS 29**

report to REAC; multifamily program participants must electronically submit the required FASS templates (described in Section III and IV) to REAC, however, are not required to electronically submit the related SAS 29 report; PHAs and multifamily program participants must both maintain a hard copy of the SAS 29 report for three years); and

- A **SEPARATE** (i.e., not part of the above two requirements) attestation agreed-upon procedures engagement under AICPA Statement on Standards for Attestation Engagements (SSAE) No. 10, *Attestation Standards: Revision and Recodification*,¹ where the auditor compares the electronically submitted data in a REAC staging database (the FASS template information) to the related hard copy documents (**the attestation report is prepared and submitted to REAC electronically by the auditor**).

The main purpose of this Guide is to provide guidance to PHAs and multifamily participants and their auditors in meeting the above requirements.

For those entities subject to the audit requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, REAC has designed its additional requirements described in this Guide to correspond with OMB Circular A-133 audits. For example, OMB Circular A-133 requires the audit of an entity's basic financial statements. That audit also serves as the basis for an entity's preparation of and auditor reporting on the FASS templates and involvement in the electronic submission process. More information on the relationship of REAC's additional data requirements with OMB Circular A-133 is contained in Sections II and III of this Guide.

Those PHA and not-for-profit participants not subject to the requirements of OMB Circular A-133 should look to special rules for electronic submission requirements in their respective sections of this Guide. With respect to for-profit participants, this Guide's requirements have been designed to correspond with those of Handbook 2000.04, REV-2, (Change 1) *Consolidated Audit Guide for HUD Programs*.

The specific electronic data submission deadlines differ by type of entity receiving HUD financial assistance and are discussed in Sections II, III, and IV of this Guide.

Please note that there are certain minimum computer system requirements, which could have an impact upon an entity's ability to submit data electronically. In addition, for covered entities submitting data derived from the audited financial statements on or after February 2, 2001, new requirements exist for the practitioner engaged to perform the audit and/or attestation engagement to obtain a Unique IPA Identifier (UII) number. The practitioner engaged to perform the audit must provide his/her client with the UII number in order to allow the PHA or multifamily project owner to submit data electronically.

¹ It should be noted that SSAE No. 10 supersedes SSAE Nos. 1-9 and is effective for periods ending on or after June 1, 2001. Early application is permitted.

Please refer to Section V for a more detailed description of system requirements and the UII.

Any questions related to this Guide should be referred to REAC's Technical Assistance Center at 1-888-245-4860 or to the entity's assigned Financial Analyst or Assessment Manager.

II. Public Housing Authorities

A. The Basic UFRS Rule Requirements

The Public Housing Assessment System (PHAS) rule, establishes procedures for the assessment of: 1) physical condition, 2) financial condition, 3) management operations and 4) resident service and satisfaction. REAC developed the Financial Assessment Subsystem (FASS) specifically to determine the financial health of a housing authority under PHAS. Public Housing Authority (PHA) financial information must be submitted to REAC electronically by the PHA through the FASS using a template known as the Financial Data Schedule (FDS).

The FDS must be prepared using GAAP for state and local governments. Because the FDS must be prepared by the PHA on a GAAP basis and reported on by the auditor as to its fair presentation in relation to the audited basic financial statements, the basic financial statements must also be prepared on a GAAP basis.

GASB provides for two bases of accounting depending on the activities of the governmental entity - “enterprise fund” or “governmental fund” accounting. Since the overwhelming majority of PHAs possess the characteristics of enterprise funds, they follow GASB enterprise fund accounting principles. It should be noted that GASB recently issued Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, which mandates government-wide or other financial statements using full accrual accounting like that utilized by enterprise funds. Under Statement No. 34, many PHAs will be considered to be special purpose governments engaged only in business type activities and will therefore follow enterprise fund accounting in accordance with the provisions of paragraph 138 of the Statement. REAC recommends all PHAs use enterprise fund accounting for their basic financial statements and related FDS. The first “GAAP Flyer” released in April 1999 titled *Governmental vs. Enterprise Fund Accounting*, discusses the basis for the REAC recommendation. The flyer can be accessed on the REAC web site: <http://www.hud.gov/offices/reac/pdf/gaapflyer1.pdf>

If a PHA chooses “governmental fund” accounting, as opposed to “enterprise fund” accounting, it must provide its rationale in writing to the Director of PHA Finance, 1280 Maryland Avenue, SW, Suite 800, Washington, D.C. 20024-2135. This may also be submitted by FAX to (202) 401-4567. This information is for survey purposes only.

The PHA must submit an FDS derived from unaudited basic annual financial statements electronically two months after the PHA’s fiscal year end. **No auditor involvement is necessary for this submission.** The PHA must submit electronically a final **approved** FDS based on the data derived from the audited financial statements no later than 9 months after the PHA’s fiscal year end (consistent with the requirements of OMB Circular A-133). A submission based on data derived from the audited financial statements cannot be completed until the PHA has an **approved** submission derived from unaudited data. For a detailed description of the submission and approval process, please

refer to the *Public Housing Agency User Guide* on the REAC web site:

http://www.hud.gov/offices/reac/products/fass/pha_doc.cfm

FASS utilizes the financial data received under the UFRS Rule to assess the financial performance of the PHA using key components of financial health. The key components/indicators include: (1) Current Ratio; (2) Number of Months Expendable Fund Balance, (3) Tenant Receivables Outstanding, (4) Occupancy Loss, (5) Net Income or Loss divided by the Expendable Fund Balance and (6) Expense Management /Utility Consumption. These indicators are calculated based on the proper classification of key items in the balance sheet and revenue and expense section of the FDS. Proper classification is defined by HUD in the *Financial Data Schedule Line Definitions and Crosswalk Guide* available on the REAC web site:

http://www.hud.gov/offices/reac/pdf/fass_ph_fds.pdf

B The Financial Data Schedule (FDS)

The FDS is essentially a trial balance of the financial statements arranged in a program format. The FDS must be produced in hard copy, prepared as information supplementary to the financial statements, and reported on by the auditor.

Auditor Association with the FDS

Auditors are required to issue a hard copy report on the FDS prepared in accordance with SAS 29, *Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents*. As noted in SAS 29:

The information covered by (SAS 29) is presented outside the basic financial statements and is not considered necessary for presentation of financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such information may include additional details or explanations of items in or related to the basic financial statements, such as consolidating information and other material, some of which may be from sources outside the accounting system or outside the entity. (Note - The FDS is an example of such information.) Although an auditor has no obligation to apply auditing procedures to information presented outside the basic financial statements, he/she may choose to modify or redirect certain of the procedures in the audit so that he/she may express an opinion on the accompanying information.

An example of an auditor's report on FDS supplementary information follows (the report on the accompanying information may be added to the auditor's report on the basic financial statements or that report may be issued separately):

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in

our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

C UFRS Rule Relationship with OMB Circular A-133 Audit Requirements

Nothing in the UFRS Rule changes the PHA's responsibilities to comply with the requirements of OMB Circular A-133.

Exhibit I of this Section illustrates the relationship of OMB Circular A-133 with the UFRS requirements. OMB Circular A-133 can be obtained from OMB's web site:

<http://www.whitehouse.gov/omb/circulars/a133/a133.html>

PHAs that meet the applicability threshold of OMB Circular A-133 (expenditure of federal awards of \$300,000 or more in a year) must continue to have an OMB Circular A-133 audit and file the required reporting package and Data Collection Form with the Single Audit Clearinghouse. However, REAC has designed its UFRS requirements to meet the reporting mandates of OMB Circular A-133.

- OMB Circular A-133 requires audited basic financial statements. The FDS data input submitted to the FASS under the UFRS rule will facilitate the PHA preparation of the balance sheet and income statement.
- OMB Circular A-133 requires the preparation of a Schedule of Expenditures of Federal Awards. The FDS data input submitted to the FASS contains such expenditures, classified by program and CFDA number. Consequently this information can be used to facilitate preparation of the OMB Circular A-133 required Schedule of Expenditures of Federal Awards.
 - OMB Circular A-133 requires testing and reporting on the compliance requirements pertaining to HUD programs that are deemed to be "major." The OMB Compliance Supplement identifies the compliance requirements for a number of HUD PHA-related programs. The Supplement sections for the PHA-related programs take into account the new UFRS requirements discussed herein. The OMB Compliance Supplement can be accessed on the Internet from OMB's web site:
http://www.whitehouse.gov/omb/circulars/a133_compliance/02/02toc.html
- Information for the OMB Circular A-133 Data Collection Form filed with the Bureau of Census is also a required part of the FASS submission. Therefore, the information contained in the REAC Data Collection Form can be used to create the official OMB Data Collection Form submitted to the Single Audit Clearinghouse. REAC is exploring the possibility of direct electronic submission from the FASS to the Bureau of Census so separate forms would not have to be prepared for Census and REAC.

Auditors are required to issue in hard copy to the PHA all audit reports required by OMB Circular A-133. PHAs are not required to submit the hard copy Circular A-133 audit reports to REAC. (However, please refer to Part D for PHA requirements to submit electronic files of the basic financial statements and certain auditor's reports as defined therein.) The PHA should retain the basic financial statements and audit reports themselves in hard copy for three years. While the preparation and electronic submission of the basic financial statements, certain auditor's reports, and the FDS may at first appear

to increase PHA workload, REAC has designed offsetting workload decreases by coordinating its new requirements with those of OMB Circular A-133. For example, as a result of the UFRS Rule:

- The Office of Public and Indian Housing has eliminated the requirement for the submission of the form HUD-52595 (Balance Sheet) for both the Low-Rent and Section 8 tenant-based programs for FYE 9/30/99 and thereafter.
- The requirement for the submission of the form HUD-52596 (Statement of Income and Expense and Changes in Accumulated Surplus or Deficit from Operations) has also been eliminated as of 9/30/99.
- REAC is pursuing opportunities for the elimination of additional forms.

Special Rules for Certain PHAs

1. PHAs that expend less than \$300,000 in federal awards in a fiscal year (or that are component units of another governmental unit that expends under \$300,000 in federal awards in a fiscal year) are not subject to the requirements of OMB Circular A-133. If a PHA elects to have an audit, they may receive operating subsidy for this cost according to 24 CFR 990.108 (3) and must submit the data derived from audited basic annual financial statements to REAC. However, absent an audit, such PHAs are still required to electronically submit FDS data based on unaudited financial statements within two months after their fiscal year end.
2. PHAs that are component units of or are otherwise included in a state or local government (for example, a fund, department, or division) that expend \$300,000 or more of federal awards may or may not ordinarily have a separate audit under the requirements of OMB Circular A-133. There are many permutations of this situation and related FDS requirements, but they generally fall into two broad categories as illustrated in the following table. Special situations should be discussed with the Director of Finance of REAC before implementation of the UFRS requirements, as alternative approaches might be deemed appropriate. In particular, component unit PHAs that represent 50 % or more of the operating activities of a Redevelopment Authority reporting entity (see footnote 3 following the table) should always discuss the situation with the Director of Finance of REAC.

Entity	Part of (Reporting Entity)	PHA's Ordinary Financial Statement Audit Procedures Other than for UFRS Purposes	Effect on FDS Financial data (Derived from the PHA's financial statements)	Effect on Auditor Reporting on FDS ²
Blended or discretely presented component unit: fund, department, etc.,	Redevelopment Authority or similar entity or City/County government	No separate financial statement audit performed	Only data derived from the financial statements of the PHA (FDS) together with other data from the financial statements of the reporting entity must be reported electronically. ³	"Hard copy" SAS 29 report issued by the reporting entity's auditor in relation to the reporting entity's basic financial statements.
Blended or discretely presented component unit: fund, department, etc.,	Redevelopment Authority or similar entity, or City/County government	Separate financial statement audit performed	All data reported electronically will be that of the PHA because PHA data is available from the separate audit. ⁴	"Hard copy" SAS 29 report issued by the PHA's auditor in relation to the PHA's basic financial statements and submitted electronically.

D Electronic Submission by the PHA

To assist PHAs in the implementation of the UFRS Rule, HUD has developed Internet-based software that can be used by PHAs at no cost to make the required electronic submission (See Section V (A) for a description of the necessary system requirements). This software captures information electronically and allows for the electronic submission of this information directly to HUD via the Internet. Responsibility for the submission of data derived from both the unaudited and the audited basic annual financial statements rests with the Executive Director of each PHA. **No auditor involvement is necessary for the submission based on unaudited financial statements.**

As depicted in Exhibit I of this Section, PHAs must submit all data via FASS to the REAC secure web site where it resides in a staging database. By "submitting" the FDS, the PHA will be attesting to the declaration detailed on the Financial Electronic Submission page reproduced as Exhibit II of this Section. Once submitted by the PHA, the PHA, the auditor or HUD cannot change the data. The auditor will access the PHA

² The FDS must be attached as a supplemental schedule to the basic financial statements or can be issued separately with a SAS 29 opinion. In either case, the FDS must be prepared using data derived from audited year-end financial statement balances (of the reporting entity or separately audited component unit PHA).

³ One of the reports illustrated in Exhibit IV is used. If the activity of the PHA constitutes 50% or more of a Redevelopment Authority, contact the Director of Finance of REAC for further guidance. Activity is defined as total operational expenses and capitalized costs incurred during the current reporting period.

⁴ One of the reports illustrated in Exhibit III is used.

data in the staging database, compare it with hard copy reports, and then report on the comparison through the use of an ID and password (Section V (B) describes user and auditor ID requirements in greater detail). After the information is reported on, it will be returned to the PHA for submission to the REAC database for final scoring.

The PHA must submit the FDS electronically. The FDS is a trial balance of the financial statements and this information will provide explanations necessary to accurately assess the PHA's financial condition. After entering the FDS data, the PHA can generate a hard copy of the FDS from the FASS system. Alternatively, the PHA can prepare its own hard copy of the FDS for input to the FASS. The UFRS rule also requires the PHA to electronically submit other data derived from the hard copy audit reports and PHA management reports.

Additionally, effective for electronic submissions and re-submissions received by REAC on or after January 1, 2001, REAC requires PHAs to electronically submit as part of the FASS submission, the PHA's basic financial statements and certain auditor's reports. This requirement also applies to a PHA that is part of City/County Government, when that entity receives its own separate financial statement audit (situation #2 on the previous page's matrix). It does not apply when a PHA that is part of a City/County Government does not receive its own separate audit (situation #1 on the previous page's matrix). These submission requirements have been discussed with AICPA staff. There have been no changes made to the REAC requirement to submit the audited PHA's footnotes accompanying the basic financial statements.

For purposes of this requirement, “the basic financial statements” refers to the;

- **Combined Balance Sheet and/or the Combined Statement of Net Assets**
- **Combined Statement of Operations or Combined Statement of Revenues Expenses and Changes in Fund Balance and/or Combined Statement of Changes in Net Assets**
- **Combined Statement of Cash Flows (if applicable)**
- **Footnotes accompanying the financial statements**

The auditor's reports that are required to be submitted electronically include;

- **Report on the basic financial statements, including the reporting on the FDS supplemental schedules (SAS 29)**
- **Report on compliance and internal control over financial reporting based on an audit performed in accordance with *Government Auditing Standards***
- **Report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with Office of Management and Budget Circular A-133 (if a Circular A-133 audit has been performed)**

The PHA should copy the above described basic financial statements, audit reports, and schedule of expenditures of federal awards, **except** for the footnotes accompanying the financial statements, onto one rich text format file (.rtf). This file should then be attached within the **Audit Information Tab** under the Notes and Findings Link. Because rich text format will not accommodate an auditor's hand signature, auditors should type their

signature for transmission purposes. Auditors are also encouraged to provide the PHA with electronic files of the required auditor's reports necessary to submit this data so that the PHA can use the "cut and paste" capability from word processing programs. The footnotes accompanying the basic financial statements should also be copied to a separate rich text format file (.rtf). This file should then be attached within the **Notes Tab** under the Notes and Findings Link.

In addition to the above two tabs, please also note that there continues to be a separate tab known as the **Audit Findings Tabs** under which the auditor's schedule of findings and questioned costs and summary schedule of prior year audit findings (if applicable) must be attached as another separate rich text format (.rtf) file.

REAC requires the auditor's schedule of findings and questioned costs prepared in accordance with paragraph .510(d) of OMB Circular A-133 (only for those PHAs that are required to have a Circular A-133 audit) to be submitted electronically by the PHA to identify and assess problems that may not be evident from numerical data and scoring. It is important to note that information about the audit from Part I of this Schedule is the source of information for the OMB Data Collection Form portion of the FASS electronic submission. Again, auditors are encouraged to provide the PHA with electronic files of this schedule so that the PHA can use the "cut and paste" capability from word processing and spreadsheet programs.

Finally, REAC also requires the PHA's Corrective Action Plan required by paragraph .315(c) of OMB Circular A-133 (only for those PHAs that are required to have a Circular A-133 audit) to be submitted electronically by the PHA to assess progress made by the PHA on the findings and questioned costs reported by the auditor.

As a final note, for PHAs that are component units of or are otherwise included in a state or local government and do **not** receive a separate financial statement audit, only the following information will be submitted electronically via .rtf files or answered by an electronic drop-down box (in addition to the Financial Data Schedule):

- **The footnotes of the reporting entity's financial statements (applies to both A-133 and non A-133 component units that do not have a separate financial statement audit). This information is included in the scope of the Auditor's attestation report. Please see report illustrations in Exhibit IV.**
- **Type of opinion on the FDS (applies to both A-133 and non A-133 component units that do not have a separate financial statement audit). This information is included in the scope of the Auditor's attestation report. Please see report illustrations in Exhibit IV.**
- **Audit Findings of the reporting entity (applies to A-133 component units that do not have a separate financial statement audit). This information is not included by the Auditor's Attestation report under Exhibit IV.**

- **Corrective Action Plan of the reporting entity (applies to A-133 component units that do not have a separate financial statement audit). This information is not included by the Auditor’s Attestation report under Exhibit IV.**

E Auditor Involvement in the Electronic Submission Process

With a substantial number of the approximately 3,200 PHAs submitting data for PHA scoring twice each year, (data derived from unaudited financial statements within two months of the PHAs fiscal year end and data derived from the audited financial statements within 9 months of the PHAs fiscal year end), electronic submission is the only realistic method to permit timely scoring by REAC. REAC will use the data derived from unaudited financial statements for initial scoring and the data derived from the audited financial statements to adjust the initial score. The FASS automatically identifies significant variations between the two submissions for further investigation. **Again, no auditor involvement is necessary for the submission based on unaudited financial statements.**

In order to assure accuracy and completeness in the data REAC will be using for scoring purposes, auditors are required to perform a **separate** agreed-upon procedures engagement. In general, the auditor must compare the electronic data in the REAC staging database to the hard copy of the basic financial statements, audit reports, and FDS. This procedure should be performed under Chapter 2 of the Statement on Standards for Attestation Engagements (SSAE) No. 10, *Attestation Standards: Revision and Recodification*, of the AICPA. Although the procedure is simple, it is a procedure that is over and above the requirements of OMB Circular A-133 and the issuance of the SAS 29 reporting discussed earlier, and it will require some additional time. Consequently, the audit engagement letter should be expanded to include this separate attestation engagement, which may involve additional costs.

To perform these procedures, auditors must register with HUD’s Secure Connection system for a user ID and password, as well as obtain a Unique IPA Identifier (UII). This matter is discussed in Section V of this Guide.

As illustrated in Exhibit I of this Section, the PHA submits its data derived from the audited financial statements into a REAC staging database. Auditors will compare the “submitted” information in the staging database with hard copy audited information prepared by the PHA and reported on by the auditor.

- If the information **agrees exactly**, the auditor will complete the attestation report on the FASS Auditor Reporting screen by clicking on the “agrees” box. This will return the data to the PHA for final submission to the REAC database for scoring purposes. **The PHA can only submit final data to the REAC database that “agrees”**. The secure features of the system will not permit the PHA or HUD to alter data after the auditor reporting process. The term “exactly” refers to substantive matters and does not include non-substantive typographical, spelling, font, and formatting differences nor

differences in amounts, which are clearly inconsequential (e.g., rounding differences).

By clicking the “agrees” box the auditor will be attesting to the statements listed on the Annual Financial Electronic Submission pages reproduced as Exhibits III a-d of this Section. These exhibits address situations where: a) an OMB Circular A-133 audit has been performed and b) where no OMB Circular A-133 audit was performed. It should be noted that the agreed-upon procedures attestation report could be submitted by the OMB Circular A-133 or financial statement auditor. A third party auditor who did not perform the OMB Circular A-133 or financial statement audit could also submit it. Exhibits III and IV illustrate both scenarios. However, splitting of the agreed-upon procedures engagement and audit responsibilities is not recommended for efficiency reasons. The attestation reporting includes phrases that are similar to those included in the statement signed by auditors when submitting the Data Collection Form required by an OMB Circular A-133 audit. Further, it includes a disclaimer from any auditor responsibility for the security of the information transmitted electronically. For instances where one firm performs the PHA’s financial statement audit and a different firm performs the Single Audit, the PHA should contact the Director of PHA Finance at (202)-708-4932 extension 3135 for further direction.

- If the information **does not agree exactly**, the auditor will complete the attestation report on the FASS Auditor Reporting screen by clicking on the “does not agree” box. This will return the data to the PHA for correction. Once the PHA resubmits corrected data, the auditor must repeat the above process. While the FASS provides for identification of those elements that do not agree, most auditors will find it beneficial to discuss any areas of disagreement with the PHA and come to a resolution prior to the PHA's initial submission of the FDS data derived from the audited financial statements into the REAC staging database.

This electronic reporting process can be performed from any computer with access to the Internet and FASS, e.g. from the practitioner’s office, home, another client site, or the PHA itself. See Section V (A) for a description of the necessary systems requirements.

F Other Matters

Preparation of GAAP Financial Statements

All PHAs will be required to prepare financial statements using GAAP for state and local governments. Supplemental information called “GAAP Flyers” will also be issued on selected GAAP subjects. To date, REAC has issued four such flyers, addressing 1) Governmental vs. Enterprise Fund Accounting; 2) Accounting for Fixed Assets; 3) Mixed-Finance and Joint Venture Accounting and 4) Accounting for PHA Debt. REAC

has also issued nine accounting briefs on accounting for specific transactions as well as on auditor independence. All these topics are accessible on the REAC web site:

http://www.hud.gov/offices/reac/products/fass/pha_briefs.cfm

Qualified opinions on Financial Statements or FDS

The impact of different types of qualified audit reports on the scoring process is discussed in Docket No. FR-4509-N-17 of the Federal Register published December 21, 2000. The Directive Title is *Public Housing Assessment System: Financial Condition Scoring Process*. It can be accessed on the REAC web site:

<http://www.hud.gov/offices/reac/pdf/122100scoringnotice.pdf>

Exhibit II

PHA's Declaration for Electronic Submission

Certification Statement

This is to certify that, to the best of my knowledge and belief, the information contained in this submission – including but not limited to the accompanying FDS and entity self assessment --is accurate and complete for the period described on data element lines G9000-010, G2000-021, and G2000-031. By selecting Submit Financial Data, I declare that the foregoing is true and correct.

Exhibit III-a: OMB Circular A-133 Auditor also performs the agreed-upon procedure

<p>Financial Assessment Electronic Submission U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC)</p>	
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[Inbox](#) | [PHA Info](#) | [Financial Data Schedule](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit Late Reason](#) | [Material Difference Reason](#)

PHA Code: KY075
PHA Name: Housing Authority of Dawson Springs

FY End Date: 03/31/2000

Submit Data

Auditor Procedures

Independent Accountant's Report on Applying Agreed-Upon Procedure

We have performed the procedure described in the second paragraph, which was agreed to by [redacted] (the Housing Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Circular A-133 reporting package. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

We were engaged to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, for the Housing Authority as of and for the year ended [redacted], and have issued our report thereon dated [redacted]. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Financial Data Schedule (FDS) dated [redacted], was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the reporting package required by OMB Circular A-133, which includes the auditor's reports, is available in its entirety from the Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedule, all CFDA's	<input type="radio"/>	<input checked="" type="radio"/>
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	<input type="radio"/>	<input checked="" type="radio"/>
3	Type of opinion on FDS (data element G5100-010)	Auditor's supplemental report on FDS	<input type="radio"/>	<input checked="" type="radio"/>
4	Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned costs	<input type="radio"/>	<input checked="" type="radio"/>
5	General information (data element series G2000,G2100,G2200,G2300,G9000,G9100)	OMB Data Collection Form*	<input type="radio"/>	<input checked="" type="radio"/>
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form*	<input type="radio"/>	<input checked="" type="radio"/>
7	Federal program report information (data element G4000-010 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form*	<input type="radio"/>	<input checked="" type="radio"/>
8	Federal agencies required to receive reporting package (data element G4000-050)	OMB Data Collection Form*	<input type="radio"/>	<input checked="" type="radio"/>
9	Basic financial statements and auditor's reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	<input type="radio"/>	<input checked="" type="radio"/>
UUI		<input type="text"/>	<input type="button" value="Search"/>	
Firm Name				
Employer Identification Number				
Date				
<input type="button" value="Completed"/>				

*While the OMB Data Collection Form can be produced from the UFRS system, the hard copy of the form listed in the second column above, against which the auditor will compare UFRS data, should be the signed hard copy of the form that will be filed with the Single Audit Clearinghouse. In other words, the auditor should assure that the data in the UFRS Rule Information column agrees with the final Data Collection Form signed by both the auditee and the auditor for filing with the Clearinghouse.

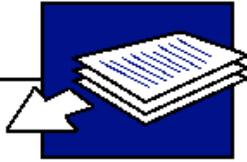
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Exhibit III-b: CPA other than the OMB Circular A-133 Auditor performs the agreed-upon-procedure

Financial Assessment
Electronic Submission
U.S. Department of Housing and Urban Development
Real Estate Assessment Center (REAC)



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PHA Code: KY075

PHA Name: Housing Authority of Dawson Springs

FY End Date: 03/31/2000

[Submit Data](#)

[Auditor Procedures](#)

Independent Accountant's Report on Applying Agreed-Upon Procedure

We have performed the procedure described in the second paragraph, which was agreed to by (the Housing Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Circular A-133 reporting package. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

We were not engaged to, and did not, perform an audit of the Housing Authority's financial statements or the Financial Data Schedule (FDS), the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. Further, we were not engaged to, and did not, perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

A copy of the reporting package required by OMB Circular A-133, which includes the auditor's reports, is available in its entirety from the Housing Authority. We take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedule, all CFDA's	<input type="radio"/>	<input checked="" type="radio"/>
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	<input type="radio"/>	<input checked="" type="radio"/>
3	Type of opinion on FDS (data element G5100-010)	Auditor's supplemental report on FDS	<input type="radio"/>	<input checked="" type="radio"/>
4	Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned costs	<input type="radio"/>	<input checked="" type="radio"/>
5	General information (data element series G2000, G2100, G2200, G2300, G9000, G9100)	OMB Data Collection Form*	<input type="radio"/>	<input checked="" type="radio"/>
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form*	<input type="radio"/>	<input checked="" type="radio"/>
7	Federal program report information (data element G4000-010 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form*	<input type="radio"/>	<input checked="" type="radio"/>
8	Federal agencies required to receive reporting package (data element G4000-050)	OMB Data Collection Form*	<input type="radio"/>	<input checked="" type="radio"/>
9	Basic financial statements and auditor's reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	<input type="radio"/>	<input checked="" type="radio"/>

Ull	<input type="text"/>	<input type="button" value="Search"/>
Firm Name		
Employer Identification Number		
Date		
Contact First Name		
Contact Middle Initial		
Contact Last Name		
Street Address Line 1		
Street Address Line 2		
City		
State Code		
Zip Code		
Telephone		

*While the OMB Data Collection Form can be produced from the UFRS system, the hard copy of the form listed in the second column above, against which the auditor will compare UFRS data, should be the signed hard copy of the form that will be filed with the Single Audit Clearinghouse. In other words, the auditor should assure that the data in the UFRS Rule Information column agrees with the final Data Collection Form signed by both the auditee and the auditor for filing with the Clearinghouse.

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Exhibit III-c: Financial Statement Auditor performs the agreed-upon procedure

Financial Assessment
Electronic Submission
U.S. Department of Housing and Urban Development
Real Estate Assessment Center (REAC)



[Inbox](#) | [PHA Info](#) | [Financial Data Schedule](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit Late Reason](#) | [Material Difference Reason](#)

PHA Code: NC030
PHA Name: Housing Programs of the Town of Murphy

FY End Date: 06/30/2000

Submit Data

Auditor Procedures

Independent Accountant's Report on Applying Agreed-Upon Procedure

We have performed the procedure described in the second paragraph of this report, which was agreed to by [redacted] (the Housing Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

We were engaged to perform an audit of the financial statements of the Housing Authority as of and for the year ended [redacted], and have issued our reports thereon dated [redacted]. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Financial Data Schedule dated [redacted], was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the financial statement package and the FDS, which includes the auditor's reports, is available in its entirety from the Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedule, all CFDA's	<input type="radio"/>	<input checked="" type="radio"/>
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	<input type="radio"/>	<input checked="" type="radio"/>
3	Type of opinion on FDS (data element G5100-010)	Auditor's supplemental report on FDS	<input type="radio"/>	<input checked="" type="radio"/>
4	Basic financial statements and auditor's reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	<input type="radio"/>	<input checked="" type="radio"/>

Ull	<input type="text"/>	<input type="button" value="Search"/>
Firm Name	<input type="text"/>	
Employer Identification Number	<input type="text"/>	
Date	<input type="text"/>	

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Exhibit III-d: CPA other than Financial Statement Auditor performs the agreed-upon procedure

Financial Assessment
Electronic Submission
U.S. Department of Housing and Urban Development
Real Estate Assessment Center (REAC)



[Inbox](#) | [PHA Info](#) | [Financial Data Schedule](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit Late Reason](#) | [Material Difference Reason](#)

PHA Code: NC030

PHA Name: Housing Programs of the Town of Murphy

FY End Date: 06/30/2000

Submit Data

Auditor Procedures

Independent Accountant's Report on Applying Agreed-Upon Procedure

We have performed the procedure described in the second paragraph of this report, which was agreed to by (the Housing Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

We were not engaged to, and did not, perform an audit of the Housing Authority's financial statements or the Financial Data Schedule (FDS), the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

A copy of the financial statement package and the FDS, which includes the auditor's report, is available in its entirety from the Housing Authority. We take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedule, all CFDA's	<input type="radio"/>	<input checked="" type="radio"/>
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	<input type="radio"/>	<input checked="" type="radio"/>
3	Type of opinion on FDS (data element G5100-010)	Auditor's supplemental report on FDS	<input type="radio"/>	<input checked="" type="radio"/>
4	Basic financial statements and auditor's reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	<input type="radio"/>	<input checked="" type="radio"/>

UFI	<input type="text"/>	<input type="button" value="Search"/>
Firm Name	<input type="text"/>	
Employer Identification Number	<input type="text"/>	
Date	<input type="text"/>	
Contact First Name	<input type="text"/>	
Contact Middle Initial	<input type="text"/>	
Contact Last Name	<input type="text"/>	
Street Address Line 1	<input type="text"/>	
Street Address Line 2	<input type="text"/>	
City	<input type="text"/>	
State Code	<input type="text"/>	
Zip Code	<input type="text"/>	
Telephone	<input type="text"/>	

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Exhibit IV-a: Audited/A-133 Component Unit – No Separate Financial Statement Audit (Same CPA):

<p>Financial Assessment Electronic Submission U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC)</p>	
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[Inbox](#) | [PHA Info](#) | [Financial Data Schedule](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit Late Reason](#) | [Material Difference Reason](#)

PHA Code: NY098
PHA Name: St. Johnsville Housing Authority
FY End Date: 09/30/2001

Submit Data

Auditor Procedures

Independent Accountant's Report on Applying Agreed-Up Procedure

We have performed the procedure described in the second paragraph, which was agreed to by [redacted]¹ (the Housing Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with related hard copy documents. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

The Housing Authority is a [redacted]² of the [redacted]³ (the Reporting Entity). We were engaged to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, for the Reporting Entity as of and for the year ended [redacted], and have issued our reports thereon dated [redacted]. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Housing Authority's Financial Data Schedule (FDS) dated [redacted], was expressed in relation to the basic financial statements of the Reporting Entity taken as a whole.

A copy of the reporting package required by OMB Circular A-133, which includes the auditor's reports, is available in its entirety from the [redacted]⁴. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedule of component unit	<input type="radio"/>	<input checked="" type="radio"/>
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements of the reporting entity	<input type="radio"/>	<input checked="" type="radio"/>
3	Type of opinion on FDS (data element G5100-010)	Auditor's supplemental report on FDS	<input type="radio"/>	<input checked="" type="radio"/>
UJI		<input type="text"/>	<input type="button" value="Search"/>	
Firm Name				
Employer Identification Number				
Date				
<input type="button" value="Completed"/>				

¹ Enter name of Housing Authority.

² Enter either "component unit," "department," "division," "agency," etc.

³ Enter name of Reporting Entity.

⁴ Enter "Housing Authority" or "Reporting Entity."

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Exhibit IV-b: Audited/A-133 Component Unit – No Separate Financial Statement Audit (Different CPA):

<p>Financial Assessment Electronic Submission U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC)</p>	
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[Inbox](#) | [PHA Info](#) | [Financial Data Schedule](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit Late Reason](#) | [Material Difference Reason](#)

PHA Code: NY098
PHA Name: St. Johnsville Housing Authority
FY End Date: 09/30/2001

<p>Submit Data Auditor Procedures</p> <p>Independent Accountant's Report on Applying Agreed-Upon Procedure</p> <p>We have performed the procedure described in the second paragraph, which was agreed to by [redacted]¹ (the Housing Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with related hard copy documents. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.</p> <p>We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.</p> <p>The Housing Authority is a [redacted]² of the [redacted]³ (the Reporting Entity). We were not engaged to, and did not, perform an audit of the Reporting Entity's financial statements or the Housing Authority's Financial Data Schedule (FDS), the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. Further, we were not engaged to, and did not, perform an audit in accordance with OMB Circular A-133, <i>Audits of States, Local Governments, and Non-Profit Organizations</i>. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.</p> <p>A copy of the reporting package required by OMB Circular A-133, which includes the auditor's reports, is available in its entirety from the [redacted]⁴. We take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.</p> <p>This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.</p>
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PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedule of component unit	<input type="radio"/>	<input checked="" type="radio"/>
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements of the reporting entity	<input type="radio"/>	<input checked="" type="radio"/>
3	Type of opinion on FDS (data element G5100-010)	Auditor's supplemental report on FDS	<input type="radio"/>	<input checked="" type="radio"/>

Ull	<input type="text"/>	<input type="button" value="Search"/>
Firm Name	<input type="text"/>	
Employer Identification Number	<input type="text"/>	
Date	<input type="text"/>	
Contact First Name	<input type="text"/>	
Contact Middle Initial	<input type="text"/>	
Contact Last Name	<input type="text"/>	
Street Address Line 1	<input type="text"/>	
Street Address Line 2	<input type="text"/>	
City	<input type="text"/>	
State Code	<input type="text"/>	
Zip Code	<input type="text"/>	
Telephone	<input type="text"/>	

-
- ¹ Enter name of Housing Authority.
² Enter either "component unit," "department," "division," "agency," etc.
³ Enter name of Reporting Entity.
⁴ Enter "Housing Authority" or "Reporting Entity."
-

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Exhibit IV-c: Audited/Non-A-133 Component Unit – No Separate Financial Statement Audit (Same CPA):

<p>Financial Assessment Electronic Submission U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC)</p>	
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[Inbox](#) | [PHA Info](#) | [Financial Data Schedule](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit](#)
[Late Reason](#) | [Material Difference Reason](#)

PHA Code: TX124
PHA Name: Housing Authority of Knox City

FY End Date: 09/30/2001

Submit Data

Auditor Procedures

Independent Accountant's Report on Applying Agreed-Upon Procedure

We have performed the procedure described in the second paragraph, which was agreed to by [redacted] ¹ (the Housing Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with related hard copy documents. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

The Housing Authority is a [redacted] ² of the [redacted] ³ (the Reporting Entity). We were engaged to perform an audit of the financial statements of the Reporting Entity as of and for the year ended [redacted], and have issued our report thereon dated [redacted]. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Housing Authority's Financial Data Schedule dated [redacted], was expressed in relation to the basic financial statements of the Reporting Entity taken as a whole.

A copy of the financial statement package and the FDS, which includes the auditor's report, is available in its entirety from the [redacted] ⁴. We have not performed any additional auditing procedures since the date of the aforementioned audit report. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedule of component unit	<input type="radio"/>	<input checked="" type="radio"/>
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements of the reporting entity	<input type="radio"/>	<input checked="" type="radio"/>
3	Type of opinion on FDS (data element G5100-010)	Auditor's supplemental report on FDS	<input type="radio"/>	<input checked="" type="radio"/>
UIC		<input type="text"/>	<input type="button" value="Search"/>	
Firm Name		<input type="text"/>		
Employer Identification Number		<input type="text"/>		
Date		<input type="text"/>		
<input type="button" value="Completed"/>				

¹ Enter name of Housing Authority.

² Enter either "component unit," "department," "division," "agency," etc.

³ Enter name of Reporting Entity.

⁴ Enter "Housing Authority" or "Reporting Entity."

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[Inbox](#) | [PHA Info](#) | [Financial Data Schedule](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit Late Reason](#) | [Material Difference Reason](#)

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Exhibit IV-d: Audited/Non-A-133 Component Unit – No Separate Financial Statement Audit (Different CPA):

<p>Financial Assessment Electronic Submission U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC)</p>	
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[Inbox](#) | [PHA Info](#) | [Financial Data Schedule](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit Late Reason](#) | [Material Difference Reason](#)

PHA Code: TX124
PHA Name: Housing Authority of Knox City
FY End Date: 09/30/2001

<p>Submit Data Auditor Procedures</p> <p>Independent Accountant's Report on Applying Agreed-Upon Procedure</p> <p>We have performed the procedure described in the second paragraph, which was agreed to by [redacted] ¹ (the Housing Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with related hard copy documents. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.</p> <p>We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.</p> <p>The Housing Authority is a [redacted] ² of the [redacted] ³ (the Reporting Entity). We were not engaged to, and did not, perform an audit of the Reporting Entity's financial statements or the Housing Authority's Financial Data Schedule (FDS), the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.</p> <p>A copy of the financial statement package and the FDS, which includes the auditor's reports, is available in its entirety from the [redacted] ⁴. We take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.</p> <p>This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.</p>
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PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedule of component unit	<input type="radio"/>	<input checked="" type="radio"/>
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements of the reporting entity	<input type="radio"/>	<input checked="" type="radio"/>
3	Type of opinion on FDS (data element G5100-010)	Auditor's supplemental report on FDS	<input type="radio"/>	<input checked="" type="radio"/>
Ull		<input type="text"/>	<input type="button" value="Search"/>	
Firm Name				
Employer Identification Number				
Date				
Contact First Name				
Contact Middle Initial				
Contact Last Name				
Street Address Line 1				
Street Address Line 2				
City				
State Code				
Zip Code				
Telephone				
<input type="button" value="Completed"/>				

¹ Enter name of Housing Authority.

² Enter either "component unit," "department," "division," "agency," etc.

³ Enter name of Reporting Entity.

⁴ Enter "Housing Authority" or "Reporting Entity."

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[Inbox](#) | [PHA Info](#) | [Financial Data Schedule](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit Late Reason](#) | [Material Difference Reason](#)

[User Guide and System Documentation](#) | [Technical Assistance Center](#)

III. NOT for Profit Multifamily Program Participants

A. The Basic UFRS Rule Requirements

The financial data templates discussed in the fourth paragraph, 2nd bullet, of Section I of this Guide are technically known as “Supplemental Schedules with Financial Statement Data” and contain all of the data submitted electronically by the not for profit multifamily program participants to REAC via a Financial Assessment Subsystem (FASS). The financial data templates must be prepared on a basis of accounting consistent with GAAP for not for profit organizations. Because the financial data templates must be prepared on a GAAP basis and reported on by the auditor as to its fair presentation in relation to the audited basic financial statements, the basic financial statements must also be prepared on a GAAP basis.

Not for profit multifamily program participants subject to OMB Circular A-133 must submit financial statement data (via the financial data templates) electronically within ninety days after their fiscal year end. If the owner is not prepared to submit the data derived from audited basic annual financial statements, then an owner-certified report must be submitted within ninety days. **No auditor involvement is necessary for the submission of this data derived from unaudited basic annual financial statements.** The financial data templates prepared with data derived from the audited financial statement must be filed no later than 9 months after the entity’s fiscal year end (consistent with the requirements of OMB Circular A-133). REAC utilizes the financial data received under the UFRS Rule to assess financial performance as well as compliance with the regulatory agreement.

Special Rule for not for profit entities that are not subject to the requirements of OMB Circular A-133 (e.g. they expend less than \$300,000 in federal awards in a fiscal year or that are component units of another entity that expends under \$300,000 in federal awards in a fiscal year). These entities are only required to electronically submit financial data based on owner-certified statements within ninety days after its fiscal year end as described in Section D below.

B. The Financial Data Templates

- The hard copy basic financial statements and auditor report must be issued prior to electronic submission of the financial and compliance data contained in the financial data templates. The financial data templates must be produced in hard copy and reported on as information supplementary to the financial statements, before they are submitted as discussed in D below. The financial data templates have been described in detail within the appendices of the Industry User Guide on the REAC web site: <http://www.hud.gov/offices/reac/products/prodmf.cfm>

Auditor Association with the Financial Data Templates

Auditors are required to issue a hard copy report on the Financial Data Templates prepared in accordance with SAS 29, *Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents*. As noted in SAS 29:

The information covered by (SAS 29) is presented outside the basic financial statements and is not considered necessary for presentation of financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such information may include additional details or explanations of items in or related to the basic financial statements, such as consolidating information and other material, some of which may be from sources outside the accounting system or outside the entity. (Note - The Financial Data Templates are an example of such information.) Although an auditor has no obligation to apply auditing procedures to information presented outside the basic financial statements, he/she may choose to modify or redirect certain of the procedures in the audit so that he/she may express an opinion on the accompanying information.

An example of an auditor's report on Financial Data Templates supplementary information follows (the report on the accompanying information may be added to the auditor's report on the basic financial statements or that report may be issued separately):

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Financial Data Templates are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

C. UFRS Rule Relationship with OMB Circular A-133 Audit Requirements

Nothing in the UFRS Rule changes the entity's responsibilities to comply with the requirements of OMB Circular A-133. OMB Circular A-133 can be obtained from OMB's web site: <http://www.whitehouse.gov/omb/circulars/a133/a133.html>

Not for profit organizations that meet the applicability threshold of OMB Circular A-133 (expenditure of federal awards of \$300,000 or more in a year) must continue to have a OMB Circular A-133 audit and file the required reporting package and Data Collection Form with the Single Audit Clearinghouse. However, REAC has designed its UFRS requirements to meet the reporting mandates of OMB Circular A-133.

- OMB Circular A-133 requires audited basic financial statements. The template data input submitted to REAC under the UFRS rule will facilitate the entity's preparation of the financial statements for compliance with OMB Circular A-133.

- OMB Circular A-133 requires the preparation of a Schedule of Expenditures of Federal Awards. The template data input submitted to REAC contains such expenditures, classified by program and CFDA number. Consequently the template information can be used to facilitate preparation of the OMB Circular A-133 required Schedule of Expenditures of Federal Awards.
- OMB Circular A-133 requires testing and reporting on the compliance requirements pertaining to HUD programs that are deemed to be “major.” The OMB Compliance Supplement identifies the compliance requirements for a number of HUD related programs. The Supplement sections for the PHA-related programs take into account the new UFRS requirements discussed herein. The OMB Compliance Supplement can be accessed on the Internet from OMB’s web site:
http://www.whitehouse.gov/omb/circulars/a133_compliance/02/02toc.html

Auditors are required to issue in hard copy to the not for profit entity all audit reports required by OMB Circular A-133. Entities are not required to submit the hard copy Circular A-133 audit reports to REAC. Only the financial data templates (which are not part of the Circular A-133 reporting package) are required to be submitted electronically to REAC by the entity. The basic financial statements and audit reports themselves should be retained in hard copy by the entity for three years.

D. Electronic Submission by the Entity

To assist the not for profit entity in the implementation of the UFRS Rule, HUD has developed Internet-based software that can be used by the entity at no cost to make the required electronic submission (See Section V (A) for a description of the necessary system requirements). This software captures information electronically and allows for the electronic submission of this information directly to HUD via the Internet. Responsibility for the submission of both owner-certified and audited data rests with the Ownership of each not for profit entity. **No auditor involvement is necessary for the owner-certified submission derived from unaudited basic annual financial statements.** The entity must submit owner-certified and financial data templates data derived from the audited financial statements to the REAC secure web site via the Financial Assessment Subsystem (FASS). (As previously noted, an owner-certified submission is not required if data based on audited basic annual financial statements is submitted within 90 days after the not for profit entity’s fiscal year end). Once submitted by the entity, the data cannot be changed by the entity, the auditor or HUD. The auditor will access the entity’s data in the staging database, compare it with hard copy reports, and then report on the comparison through the use of an ID and password (Section V (B) describes user and auditor ID requirements in greater detail). After the information is reported on, it will be returned to the entity for submission to the REAC database.

The financial data templates are defined in the appendices of the Industry User Guide (see B of this Section). After entering the data, and before submission the entity can generate a hard copy of the financial data templates from the FASS utilizing the list/print function. Alternatively, not for profit participants can prepare their own blank hard copy

of the financial data templates to aid the entity in its input to the FASS. All of the financial data templates generated by the system, or reproductions of such templates, must be attached to the hard copy financial statements as supplemental information.

E. Auditor Involvement in the Electronic Submission Process

With approximately 22,000 not for profit entities submitting owner-certified and audited data for assessment, electronic submission is the only realistic method to permit timely REAC assessment. **No auditor involvement is necessary for the owner-certified submission.**

In order to assure accuracy and completeness in the data REAC will be using for assessment purposes, auditors are required to perform a separate agreed-upon procedures engagement. In general, the auditor must compare the electronic financial data template information in the REAC staging database to the hard copy financial data templates included as supplemental schedules to the entity's financial statements. This procedure should be performed under Chapter 2 of the Statement on Standards for Attestation Engagements (SSAE) No. 10, *Attestation Standards: Revision and Recodification*⁵ of the AICPA. Although the procedure is simple, it is a procedure that is over and above the requirements of OMB Circular A-133 and the issuance of the SAS 29 report discussed earlier, and it will require some additional time. Consequently, the audit engagement letter should be expanded to include this separate attestation engagement, which may involve additional costs.

To perform these procedures, auditors must register with HUD's Secure Connection system for a User ID and password as well as obtain a Unique IPA Identifier (UII). This matter is discussed in Section V (B) of this Guide.

The entity will submit its data derived from the audited financial statements into a REAC staging database. Auditors will compare the "submitted" information in the staging database with hard copy audited information prepared by the not for profit entity and reported on by the auditor.

- If the information **agrees exactly**, the auditor will complete the attestation report in the submission by clicking on the "agrees" box. This will return the data to the not for profit entity for final submission to the REAC database for assessment purposes. **The not for profit entity can only submit final data to the REAC database that "agrees"**. The secure features of the system will not permit the entity or HUD to alter data after the auditor reporting process. The term "exactly" refers to substantive matters and does not include non-substantive typographical, spelling and font differences nor differences in amounts, which are clearly inconsequential (e.g. rounding errors).

⁵ It should be noted that SSAE No. 10 supersedes existing SSAE Nos. 1-9 and is effective when the subject matter or assertion is as of or for a period ending on or after June 1, 2001. Early application is permitted.

By clicking the “agrees” box the auditor will be attesting to the statements listed on the Annual Financial Electronic Submission pages reproduced as Exhibit II and III of this Section. These exhibits address situations where: a) the OMB Circular A-133 auditor performed the agreed-upon procedures and b) where a CPA other than the OMB Circular A-133 auditor performed the agreed-upon procedures (see the special rule in Part A of this Section for not for profit entities that are not subject to OMB Circular A-133). It should be noted that the agreed - upon procedures attestation can be submitted by the OMB Circular A-133 or financial statement auditor. It could also be submitted by a third party auditor who did not perform the OMB Circular A-133 or financial statement audit. The Exhibits illustrate both scenarios. However, splitting of the agreed - upon procedures engagement and audit responsibilities is not recommended for efficiency reasons. The attestation reporting includes phrases that are similar to those included in the statement signed by auditors when submitting the Data Collection Form required by an OMB Circular A-133 audit. Further, it includes a disclaimer from any auditor responsibility for the security of the information transmitted.

- If the information **does not agree exactly**, the auditor will complete the attestation report on the FASS Auditor Reporting screen by clicking on the “does not agree” box. This will return the data to the not for profit entity for correction. Once the entity resubmits corrected data, the auditors must repeat the above process. While the FASS provides for identification of those elements that do not agree, most auditors will find it beneficial to discuss any areas of disagreement with the client and come to a resolution prior to the entity’s initial submission of the data derived from the audited financial statements into the REAC staging database.

Note that references to the reporting entity under which the hard copy financial statements were issued as well as the report date, included within the electronic attestation reports, are editable fields. REAC strongly suggests that the practitioner engaged to perform the attestation procedures communicate with the multifamily property management as to the proper reporting entity name and report date to enter into these fields. For reference to these data fields and the electronic submission process, reference should be made the Industry User Guide on the REAC web site: <http://www.hud.gov/offices/reac/products/prodmf.cfm>

This electronic reporting process can be performed from any computer with access to the Internet and the FASS, e.g. from the practitioner’s office, home, another client site, or the entity itself (See Section V (A) for a description of the necessary system requirements).

Exhibit I

Multifamily's Declaration for Electronic Submission

Certification Statement

Any person who knowingly presents materially false, fictitious, or fraudulent statements in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to penalties, sanctions or other regulatory actions, including but not limited to:

1. fines and imprisonment under 18 U.S.C. 287, 1001, 1010 and 1012, which provide for fines of a maximum of \$250,000 for individuals and \$500,000 for organizations, or imprisonment for up to 5 years, or both;
2. civil penalties and damages under 31 U.S.C. 3729 of not less than \$5,000 and not more than \$10,000 per violation, plus 3 times the amount of damages that the government sustains; and
3. administrative sanctions, claims and penalties by HUD pursuant to 24 C.F.R. parts 24, 28, and 30.

Exhibit II-a: OMB Circular A-133 Auditor also performs the agreed-upon-procedure

Annual Financial Statement
Electronic Submission
 U.S. Department of Housing and Urban Development
 Real Estate Assessment Center (REAC)



Project Name	FHA/Contract Number	Date From	Date To
Consolidated Statement		01/01/1995	01/01/1995
HIGH RIDGE NORTH I	09435016	01/01/1995	01/01/1995
HIGH RIDGE NORTH II	09435024	01/01/1995	01/01/1995

Submission Warning

Auditor Procedures

Independent Accountant's Report on Applying Agreed-Upon Procedure

We have performed the procedure described in the second paragraph of this report, which was agreed to by High Ridge North and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Circular A-133 reporting package. High Ridge North is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

We were engaged to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, for Lakeland Properties as of and for the year ended 06/30/2001 and have issued our report thereon dated [redacted]. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the supplemental financial data templates dated [redacted], was expressed in relation to the basic financial statements of Lakeland Properties taken as a whole.

A copy of the reporting package required by OMB Circular A-133, which includes the auditor's reports, is available in its entirety from High Ridge North. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of High Ridge North and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet, Revenue and Expense and Cash Flow data (account numbers 1120 to 7100T and the S1200 series)	Financial Data Templates (i.e. Supplemental Schedules)	<input type="radio"/>	<input type="radio"/>
2	Surplus Cash (S1300 series accounts)	Financial Data Templates (i.e. Computation of Surplus Cash, Distributions, and Residual Receipts - (Annual))	<input type="radio"/>	<input type="radio"/>
3	Footnotes(S3100 series of accounts)	Footnotes to Audited Basic Financial Statements	<input type="radio"/>	<input type="radio"/>
4	Type of opinion on the Financial Statement and auditor reports(S3400, S3500 and S3600 series of Accounts)	Auditors's Reports on the Financial Statements, Compliance and Internal Control	<input type="radio"/>	<input type="radio"/>
5	Type of opinion on Financial Data Templates (i.e. Supplemental Data) (account S3400-100)	Auditor's Supplemental Report on Financial Data Templates	<input type="radio"/>	<input type="radio"/>
6	Audit findings narrative (S3800 series of accounts)	Schedule of Findings and Questioned Costs	<input type="radio"/>	<input type="radio"/>
7	General information (S3300, S3700 and S3800 series of accounts)	Schedule of Findings and Questioned Costs and Federal Awards Data	<input type="radio"/>	<input type="radio"/>

Firm Name	<input type="text" value="Kevin L. Penn Inc."/>
Employer Identification Number	<input type="text" value="341794580"/>
Date	<input type="text" value="03/28/2001"/>
Attesting Practitioner's First Name	* <input type="text"/>
Attesting Practitioner's Middle Name	<input type="text"/>
Attesting Practitioner's Last Name	* <input type="text"/>
Attesting Practitioner's Title	<input type="text"/>
Attesting Practitioner's Telephone	* <input type="text"/>
Attesting Practitioner's Fax	<input type="text"/>
Attesting Practitioner's E-mail	<input type="text"/>

Complete Certification Procedures

* Required items

Exhibit II-b: CPA other than the OMB Circular A-133 Auditor performs the agreed-upon-procedure

Annual Financial Statement
Electronic Submission
 U.S. Department of Housing and Urban Development
 Real Estate Assessment Center (REAC)



Project Name	FHA/Contract Number	Date From	Date To
Oakwood Commons	00077702	01/01/1996	12/31/1996

[View Submission Data](#)

Submission Warning
Auditor Procedures

Independent Accountant's Report on Applying Agreed-Upon Procedure

We have performed the procedure described in the second paragraph of this report, which was agreed to by Oakwood Commons and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Circular A-133 reporting package. Oakwood Commons is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

We were not engaged to, and did not, perform an audit of Dean Eggebraten's financial statements or the supplemental financial data templates, the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. Further, we were not engaged to, and did not, perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

A copy of the reporting package required by OMB Circular A-133, which includes the auditor's reports, is available in its entirety from Oakwood Commons. We take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of Oakwood Commons and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet, Revenue and Expense and Cash Flow data (account numbers 1120 to 7100T and the S1200 series)	Financial Data Templates (i.e. Supplemental Schedules)	<input type="radio"/>	<input type="radio"/>
2	Surplus Cash (S1300 series accounts)	Financial Data Templates (i.e. Computation of Surplus Cash, Distributions, and Residual Receipts - (Annual))	<input type="radio"/>	<input type="radio"/>
3	Footnotes(S3100 series of accounts)	Footnotes to Audited Basic Financial Statements	<input type="radio"/>	<input type="radio"/>
4	Type of opinion on the Financial Statement and auditor reports(S3400, S3500 and S3600 series of Accounts)	Auditors Reports on the Financial Statements, Compliance and Internal Control	<input type="radio"/>	<input type="radio"/>
5	Type of opinion on Financial Data Templates (i.e. Supplemental Data) (account S3400-100)	Auditor's Supplemental Report on Financial Data Templates	<input type="radio"/>	<input type="radio"/>
6	Audit findings narrative (S3800 series of accounts)	Schedule of Findings and Questioned Costs	<input type="radio"/>	<input type="radio"/>
7	General information (S3300, S3700 and S3800 series of accounts)	Schedule of Findings and Questioned Costs and Federal Awards Data	<input type="radio"/>	<input type="radio"/>

Firm Name

Employer Identification Number

Date

Attesting Practitioner's First Name *

Attesting Practitioner's Middle Name

Attesting Practitioner's Last Name *

Attesting Practitioner's Title

Attesting Practitioner's Telephone *

Attesting Practitioner's Fax

Attesting Practitioner's E-mail

Complete Certification Procedures

* Required items

IV For - Profit Multifamily Program Participants

A. The Basic UFRS Rule Requirements

The financial data templates discussed in the fourth paragraph, 2nd bullet, of Section I of this Guide are technically known as “Supplemental Schedules with Financial Statement Data” and contain all of the data submitted electronically by the for profit multifamily program participants to REAC via the Financial Assessment Subsystem (FASS). The financial data templates must be prepared on a basis of accounting consistent with GAAP. Because the financial data templates must be prepared by the entity on a GAAP basis and reported on by the auditor as to its fair presentation in relation to the audited basic financial statements, the basic financial statements must also be prepared on a GAAP basis.

For profit multifamily program participants must electronically submit financial statement data (via the financial data templates) based on hard copy audited financial statements within 90 days after the for profit entity’s fiscal year end. The FASS utilizes the information received under the UFRS Rule to assess financial performance as well as compliance with the regulatory agreement.

B The Financial Data Templates

The hard copy basic financial statements and auditor report must be issued prior to electronic submission of the financial and compliance data contained in the financial data templates. The financial data templates must be produced in hard copy and reported on as information supplementary to the financial statements, before they are submitted as discussed in C below. The financial data templates have been described in detail within the appendices of the Industry User Guide on the REAC web site:

<http://www.hud.gov/offices/reac/products/prodmf.cfm>

Auditor Association with the Financial Data Templates

Auditors are required to issue a hard copy report on the Financial Data Templates prepared in accordance with SAS 29, *Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents*. As noted in SAS 29:

The information covered by (SAS 29) is presented outside the basic financial statements and is not considered necessary for presentation of financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such information may include additional details or explanations of items in or related to the basic financial statements, such as consolidating information and other material, some of which may be from sources outside the accounting system or outside the entity. (Note - The Financial Data Templates are an example of such information.) Although an auditor has no obligation to apply auditing procedures to information presented outside the basic

financial statements, he/she may choose to modify or redirect certain of the procedures in the audit so that he/she may express an opinion on the accompanying information.

An example of an auditor's report on Financial Data Templates supplementary information follows (the report on the accompanying information may be added to the auditor's report on the basic financial statements or that report may be issued separately):

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Financial Data Templates are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

C. Electronic Submission by the Entity

To assist the entity in the implementation of the UFRS Rule, HUD has developed Internet-based software that can be used by them at no cost to make the required electronic submission (See Section V (A) for a description of the necessary system requirements). This software captures information electronically and allows for the electronic submission of this information directly to HUD via the Financial Assessment Subsystem (FASS) over the Internet. Responsibility for the submission of audited data rests with the Ownership of each for profit entity. The entity must submit financial data templates data derived from the audited financial statements, detailed in the Industry User guide (see Section B), via the FASS to the REAC secure website where it resides in the staging database. Once submitted by the entity, the data cannot be changed by the entity, the auditor or HUD. The auditor will access the entity's data in the staging database, compare it with the hard copy reports, and then report on the comparison through the user ID and password (Section V (B) describes user and auditor ID requirements in greater detail). After the information is reported on, it will be returned to the entity for submission to the REAC database.

The financial data templates are defined in the appendices of the Industry User Guide (see B of this Section). After entering the data, and before submission the entity can generate a hard copy of the financial data templates from the FASS utilizing the list/print function. Alternatively, for profit participants can prepare their own blank hard copy of the financial data templates to aid the entity in its input to the FASS. All of the financial data templates generated by the system, or reproductions of such templates, must be attached to the hard copy financial statements as supplemental data.

D. Auditor Involvement in the Electronic Submission Process

With approximately 14,000 for profit entities submitting data derived from audited financial statements each year, electronic submission is the only realistic method to

permit timely REAC assessment. In order to assure accuracy and completeness in the data REAC will be using for assessment purposes, auditors are required to perform a **separate** agreed-upon procedures engagement. In general, the auditor must compare the electronic financial data template information in the REAC staging database to the hard copy of a) the audit report and b) the financial data templates included as supplemental schedules to the entity's financial statements. This procedure should be performed under Chapter 2 of the Statement on Standards for Attestation Engagements (SSAE) No. 10, *Attestation Standards: Revision and Recodification*⁶ of the AICPA. Although the procedure is simple, it is a procedure that is over and above the requirements of generally accepted auditing standards, and it will require some additional time. Consequently, the audit engagement letter should be expanded to include this separate attestation engagement, which may involve additional costs.

To perform these procedures, auditors must register with HUD's Secure Connection system for a User ID and password as well as obtain a Unique IPA Identifier (UII). This matter is discussed in Section V (B) of this Guide.

The entity will submit its data derived from the audited financial statements into a REAC staging database. Auditors will compare the "submitted" information in the staging database with hard copy audited information prepared by the for profit entity and reported on by the auditor.

- If the information **agrees exactly**, the auditor will complete the attestation report on the FASS Auditor Reporting screen by clicking on the "agrees" box. This will return the data to the for profit entity for final submission to the REAC database for assessment purposes. **The entity can only submit final data to the REAC database that "agrees"**. The secure features of the system will not permit the entity or HUD to alter data after the auditor reporting process. The term "exactly" refers to substantive matters and does not include non-substantive typographical, spelling and font differences nor differences in amounts, which are clearly inconsequential (e.g. rounding errors).

By clicking the "agrees" box the auditor will be attesting to the statements detailed on the Annual Financial Electronic Submission pages reproduced as Exhibits II and III of this section. It should be noted that the financial statement auditor can submit the agreed-upon procedures attestation report. A third party auditor who did not perform the financial statement audit could also submit it. The exhibits illustrate both scenarios. However, splitting of the agreed-upon procedures engagement and audit responsibilities is not recommended for efficiency reasons. The attestation reporting includes a disclaimer from any auditor responsibility for the security of the information transmitted.

⁶ It should be noted that SSAE No. 10 supersedes existing SSAE Nos. 1-9 and is effective when the subject matter or assertion is as of or for a period ending on or after June 1, 2001. Early application is permitted.

- If the information **does not agree exactly**, the auditor will complete the attestation report on the FASS Auditor Reporting screen by clicking on the “does not agree” box. This will return the data to the entity for correction. Once the entity resubmits corrected data, the auditors must repeat the above process. While the FASS provides for identification of those elements that do not agree, most auditors will find it beneficial to discuss any areas of disagreement with the client and come to a resolution prior to the entity’s initial submission of the data derived from the audited financial statements into the REAC staging database.

Note that references to the reporting entity under which the hard copy financial statements were issued as well as the report date, included within the electronic attestation reports, are editable fields. REAC strongly suggests that the practitioner engaged to perform the attestation procedures communicate with the multifamily property management as to the proper reporting entity name and report date to enter into these fields. For reference to these data fields and the electronic submission process, reference should be made the Industry User Guide on the REAC web site: <http://www.hud.gov/offices/reac/products/prodmf.cfm>

Also note that in the first year of implementation, the auditor must still verify the accuracy of the multifamily project owner’s prior year submission. This requirement can be found on the REAC web site: <http://www.hud.gov/offices/reac/pdf/secondcycle.pdf>. This procedure will not be required in subsequent reporting periods as the electronic attestation process provides REAC with reasonable assurance over the accuracy of the data being electronically transmitted.

This electronic reporting process can be performed from any computer with access to the Internet and the FASS, e.g. from the practitioner’s office, home, another client site, or the for profit entity itself (See Section V (A) for a description of the necessary system requirements).

Exhibit I

Multifamily's Declaration for Electronic Submission

Certification Statement

Any person who knowingly presents materially false, fictitious, or fraudulent statements in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to penalties, sanctions or other regulatory actions, including but not limited to:

1. fines and imprisonment under 18 U.S.C. 287, 1001, 1010 and 1012, which provide for fines of a maximum of \$250,000 for individuals and \$500,000 for organizations, or imprisonment for up to 5 years, or both;
2. civil penalties and damages under 31 U.S.C. 3729 of not less than \$5,000 and not more than \$10,000 per violation, plus 3 times the amount of damages that the government sustains; and
3. administrative sanctions, claims and penalties by HUD pursuant to 24 C.F.R. parts 24, 28, and 30

Exhibit II-a: Financial Statement Auditor also performs the agreed-upon procedure

Annual Financial Statement Electronic Submission U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC)			
Project Name	FHA/Contract Number	Date From	Date To
Consolidated Statement PETITE FLEUR NURSING HME	01243136	01/01/1995 01/01/1995	12/31/1995 12/31/1995

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Submission Warning **Auditor Procedures**

Independent Accountant's Report on Applying Agreed-Upon Procedure

We have performed the procedure described in the second paragraph of this report, which was agreed to by PETITE FLEUR NURSING HOME and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents. PETITE FLEUR NURSING HOME is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

We were engaged to perform an audit of the financial statements of _____ as of and for the year ended 12/31/1995 and have issued our reports thereon dated _____. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the supplemental financial data templates dated _____, was expressed in relation to the basic financial statements of _____ taken as a whole.

A copy of the financial statement package, which includes the auditor's reports, is available in its entirety from PETITE FLEUR NURSING HOME. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of PETITE FLEUR NURSING HOME and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be used by anyone other than these specified parties.

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet, Revenue and Expense and Cash Flow data (account numbers 1120 to 7100T and the S1200 series)	Financial Data Templates (i.e Supplemental Schedules)	<input type="radio"/>	<input type="radio"/>

2	Surplus Cash (S1300 series accounts)	Financial Data Templates (i.e. Computation of Surplus Cash, Distributions and Residual Receipts - (Annual))	<input type="radio"/>	<input type="radio"/>
3	Footnotes(S3100 series of accounts)	Footnotes to Audited Basic Financial Statements	<input type="radio"/>	<input type="radio"/>
4	Type of opinion on the Financial Statement and Compliance (account number S2100-020, S2300-020)	Auditor's Reports on the Financial Statements and Compliance	<input type="radio"/>	<input type="radio"/>
5	Type of opinion on Financial Data Templates (i.e. Supplemental Data) (account S2100-100)	Auditor's Supplemental Report on Financial Data Templates	<input type="radio"/>	<input type="radio"/>
6	Audit findings narrative (S2700 series of accounts)	Schedule of Findings and Questioned Costs	<input type="radio"/>	<input type="radio"/>

Firm Name	<input type="text" value="Joseph E. Karr CPA"/>
Employer Identification Number	<input type="text" value="911453681"/>
Date	<input type="text" value="04/10/2001"/>
Attesting Practitioner's First Name	* <input type="text"/>
Attesting Practitioner's Middle Name	<input type="text"/>
Attesting Practitioner's Last Name	* <input type="text"/>
Attesting Practitioner's Title	<input type="text"/>
Attesting Practitioner's Telephone	* <input type="text"/>
Attesting Practitioner's Fax	<input type="text"/>
Attesting Practitioner's E-mail	<input type="text"/>

* Required items

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Exhibit II-b: CPA other than Financial Statement Auditor performs the agreed-upon procedure

Annual Financial Statement Electronic Submission U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC)			
Project Name	FHA/Contract Number	Date From	Date To
Consolidated Statement PETITE FLEUR NURSING HME	01243136	01/01/1995 01/01/1995	12/31/1995 12/31/1995

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Submission Warning	Auditor Procedures
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Independent Accountant's Report on Applying Agreed-Upon Procedure

We have performed the procedure described in the second paragraph of this report, which was agreed to by PETITE FLEUR NURSING HOME and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents. PETITE FLEUR NURSING HOME is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

We were not engaged to, and did not, perform an audit of _____ financial statements or the supplemental information, the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

A copy of the financial statement package, which includes the auditor's reports, is available in its entirety from PETITE FLEUR NURSING HOME. We take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of PETITE FLEUR NURSING HOME and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet, Revenue and Expense and Cash Flow data (account numbers 1120 to 7100T and the S1200 series)	Financial Data Templates (i.e Supplemental Schedules)	<input type="radio"/>	<input type="radio"/>

2	Surplus Cash (S1300 series accounts)	Financial Data Templates (i.e. Computation of Surplus Cash, Distributions and Residual Receipts - (Annual))	<input type="radio"/>	<input type="radio"/>
3	Footnotes(S3100 series of accounts)	Footnotes to Audited Basic Financial Statements	<input type="radio"/>	<input type="radio"/>
4	Type of opinion on the Financial Statement and Compliance (account number S2100-020, S2300-020)	Auditor's Reports on the Financial Statements and Compliance	<input type="radio"/>	<input type="radio"/>
5	Type of opinion on Financial Data Templates (i.e. Supplemental Data) (account S2100-100)	Auditor's Supplemental Report on Financial Data Templates	<input type="radio"/>	<input type="radio"/>
6	Audit findings narrative (S2700 series of accounts)	Schedule of Findings and Questioned Costs	<input type="radio"/>	<input type="radio"/>
Firm Name		<input type="text" value="Joseph E. Karr CPA"/>		
Employer Identification Number		<input type="text" value="911453681"/>		
Date		<input type="text" value="04/10/2001"/>		
Attesting Practitioner's First Name		* <input type="text"/>		
Attesting Practitioner's Middle Name		<input type="text"/>		
Attesting Practitioner's Last Name		* <input type="text"/>		
Attesting Practitioner's Title		<input type="text"/>		
Attesting Practitioner's Telephone		* <input type="text"/>		
Attesting Practitioner's Fax		<input type="text"/>		
Attesting Practitioner's E-mail		<input type="text"/>		
<input type="button" value="Complete Certification Procedures"/>				
* Required items				

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V TECHNICAL

A **System Requirements**

Optimum Hardware Resources

Processor: Pentium 100
RAM: PHA16 MB; Multifamily 64 MB
Modem: 28.8kb
Video card: 256k
Download file size: 5.8 MB
Installed file size: 10 MB

Optimum Software Resources

Windows 95 or higher
Most current version of HTML-compliant browser application &
Adobe Acrobat.

Minimum Hardware Resources

Processor: 486
RAM: PHA 8 MB; Multifamily 16
Modem: 14.4kb
Video card: 256k
Download file size: 5.5 MB
Installed file size: 10 MB

Minimum Software Resources

Windows 3.1
Most current version of HTML compliant browser application & Adobe
Acrobat.

B User and Auditor ID Requirements

Firms and governmental organizations that perform audit and attestation engagements under the UFRS must be registered with HUD's Secure Connection system. Auditors will be authorized access to the FASS through their client's Coordinator. User IDs are associated with individual social security numbers and are assigned by roles. Only the audit partner or equivalent will be assigned rights to report on the data, while multiple "analyst" user IDs may be assigned to other audit staff for data comparison purposes. For information on how to register with HUD's Secure Connection system please visit the web site located at http://www.hud.gov/offices/reac/online/regist_instrc.cfm

Additionally, such organizations are required to apply for and obtain from REAC – through the UII Registration System – an identification code called a Unique IPA Identifier (UII). Firms with multiple office locations must separately register and obtain a UII for each of their offices that perform professional services for covered program participants. Sole practitioners and firms with a single office location also must apply for a UII.

The purpose of the UII Registration System is to provide HUD with a uniform listing – by office location – of the firms who provide audit and attestation services to clients covered by the UFRS. Upon successful completion, the system issues the registering firm's office a five-digit randomly generated number – the UII. Effective on and after the following dates, FASS will require client(s) to include their auditor's UII with their annual audit submission:

- Public Housing Authorities covered by the UFRS and the Public Housing Assessment System (PHAS) regulations – January 22, 2001.
- Multifamily program participants covered by the UFRS – February 5, 2001.

Procedures for obtaining a UII are contained in *Unique IPA Identifier (UII) Registration System Users Guide* dated November 6, 2000, which can be found at http://www.hud.gov/offices/reac/products/qass/qass_uui.cfm